

A SPECIAL REPORT

PROMOTION AND IMPROVEMENT

OF

THE PORT OF SAN FRANCISCO

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PORT PROMOTION PROGRAM COMMITTEE
SAN FRANCISCO CHAMBER OF COMMERCE

NUMBER 8,
1950

DEPARTMENT OF CITY PLANNING
CITY AND COUNTY OF SAN FRANCISCO

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To: Board of Directors, San Francisco Chamber of Commerce

From: Port Promotion Program Committee

Subject: Promotion and Improvement of The Port of San Francisco

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* Special Report: September 8, 1950

To: Board of Directors, San Francisco Chamber of Commerce

From: Port Promotion Program Committee

Subject: Promotion and Improvement of the Port of San Francisco (Summary)

SUMMARY: This is the report of a special committee of the San Francisco Chamber of Commerce appointed pursuant to a recommendation by the Chamber's World Trade Committee to inquire into the status of the Port of San Francisco and, if found advisable, to suggest ways and means for the Port's further promotion and improvement. Following is a summary of the Committee's findings in two parts -- Conclusions; and Recommendations:

CONCLUSIONS:

- (1) Port Potential: If San Francisco is to fulfill its destiny as one of the world's great ports during the Pacific era which looms with the beginning of the second half of the twentieth century, the entire community must unite in support of a broad program having these objectives:
 - (a) Further improvement of Port and terminal facilities in accordance with a master plan to reflect the advantages of technological and other progress;
 - (b) Constant alertness to and betterment of all carrier and terminal tariff items which can be used to influence the movement of passengers and freight through San Francisco;
 - (c) Increased traffic and consequent general employment throughout the community through the formulation and execution of coordinated

* Approved by the Board of Directors of the San Francisco Chamber of Commerce at a regular meeting on September 21, 1950.

solicitation, publicity, advertising and other promotional activities.

(2) Traffic: Traffic through the Port of San Francisco during the past several years has been less in absolute as well as relative (to other ports) volumes than it was during World War II or ten years ago or twenty years ago.

The decline was caused by a complexity of factors mostly beyond the control of local port or other authorities. Factors which have particularly influenced the decline in San Francisco may be enumerated like this:

- (a) Greater competition from other San Francisco Bay ports and Pacific, Gulf and Atlantic coast ports;
- (b) War and economic upheavals throughout the world with consequent effects on the volume, control of shipping, and routing of traffic, especially with the Orient;
- (c) Local labor unrest which during the past twenty months has been demonstrated to be a thing of the past on the San Francisco waterfront;

Affecting traffic through all ports are the following:

- ✓ (d) The advent and increasing utilization of the motor truck and trailer and improved highways;
- (e) Increasing costs of water transportation and marine terminal operations;
- (f) The practice on the part of merchants and manufacturers to maintain smaller inventories than in the past, thereby causing them to use freight services faster than those by water; conversely, due to shortages of raw material, faster freight service by land was demanded and secured.

While it has not been the Committee's function to measure the full potentials of traffic for the Port, its members were told that competent efforts will reverse the trend and be rewarded by constantly increasing volumes of traffic in the future that will more than justify the time, effort and expense as nations on the Pacific Basin and throughout the world enter their eras of greatest development.

(3) Control: Whether the San Francisco waterfront and Harbor are controlled by the state, the city or a special district authority, it is the opinion of your Committee that the same problems discussed in this report with regard to improvements, operations and promotion will prevail and require united community effort for proper solution.

(4) Competition: Having in mind the welfare of other ports on San Francisco Bay and carriers by rail, truck and air as well as by water, the Committee believes that, without bias in reference to modes of transportation or the ports of the Bay, San Francisco may well assume leadership in activities that will attract all of that ocean commerce via the Port of San Francisco to which its location, facilities, services and rates entitle it and which will afford the greatest efficiencies and economies for shippers.

Fundamentally, San Francisco cannot progress without the progress of the entire Bay Area and, as the community grows and prospers from ocean commerce, the volumes of traffic for land and air carriers will increase.

(5) Carrier and Terminal Rates and Charges: The Committee's purpose was not to make extended carrier and terminal rate studies, but its investigation did lead to two major conclusions if the Port is to secure the traffic

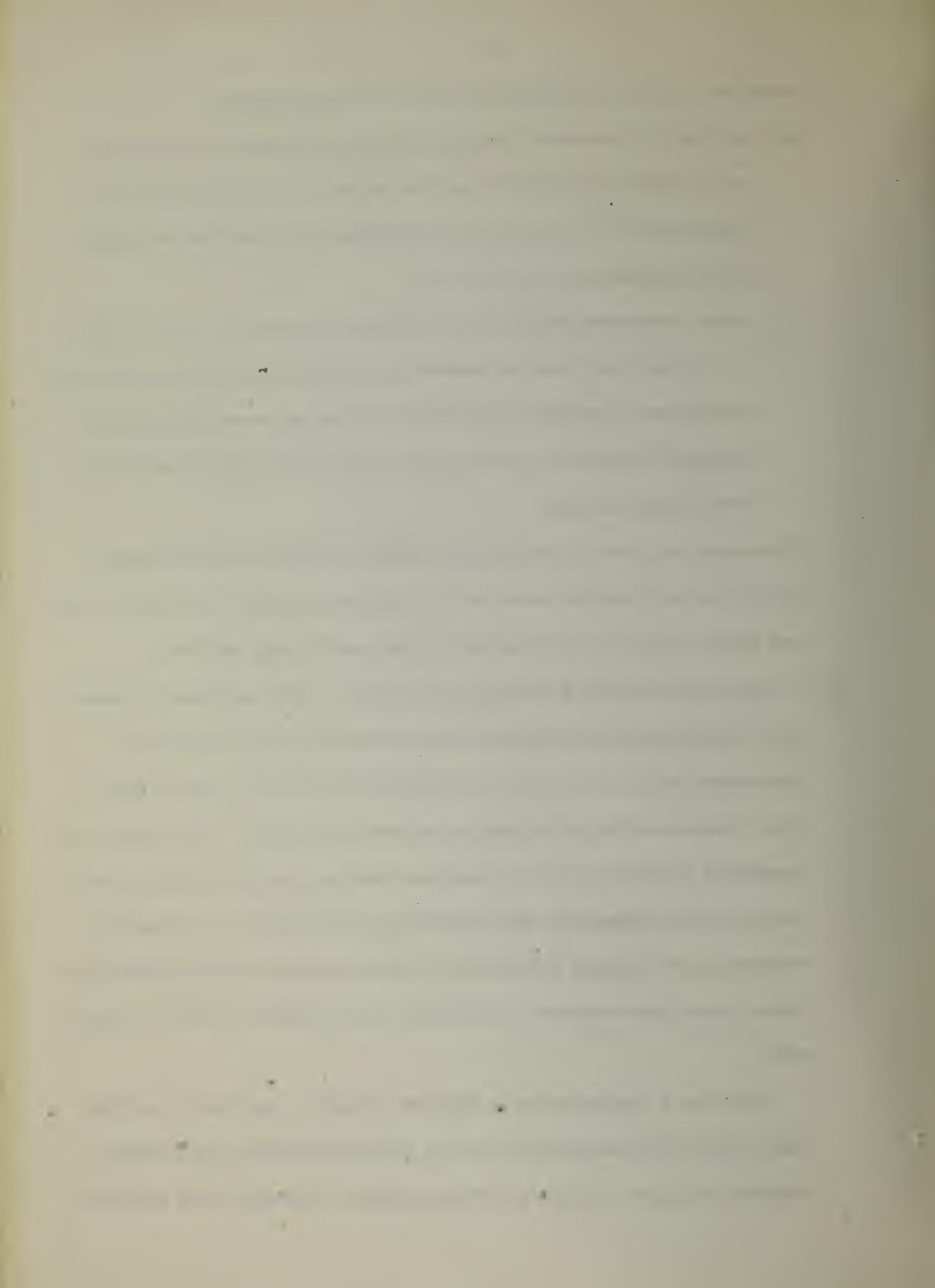
essential to the community's prosperity and employment:

- (a) All factors considered, rates and charges pertaining to passenger and freight movements via the Port of San Francisco must be at least equal to or less than corresponding rates and charges applying on movements via other ports;
- (b) While unfavorable disparities in rates and charges have been known to exist and have been the subjects of repeated discussions and some improvement, greater cooperation between carriers and others interested is needed to correct various rates and charges which have handicapped the Port.

Therefore, any promotional program must be founded on searching inquiries and well-defined procedures to assure that fully competitive rates and charges apply on movements to, from and through the Port.

- (6) Carrier and Terminal Facilities and Services: Over the years, excellent marine terminal facilities have been provided on the San Francisco waterfront which is served by a multiplicity of railroad, truck, steamship, cargo-handling and passenger-serving companies. That progress is continuing is evidenced by railroad improvements, new steamships, more efficient truck equipment, the introduction of improved cargo-handling equipment, the Foreign Trade Zone, shipside refrigeration facilities, the Islais Creek grain terminal, the improvement of Mission Rock and otherwise.

However, a number of piers show the ravages of age and do not lend themselves to the most modern and economical passenger and freight handling practices. In addition to the solution of many current problems,



attention should be given to a long-range program of waterfront improvements in accordance with a master plan to be geared to traffic demands, new technologies and financing capacity.

(Because the Port of San Francisco is an enterprise of the State government, it is the responsibility of the Board of State Harbor Commissioners and the Legislature immediately to initiate such steps as necessary to finance new and improved port and terminal facilities under an accelerated program commensurate with the opportunities to attract and develop commerce.)

(7) Labor-Management Relations: Working conditions and wages for San Francisco waterfront workers have been vastly improved during the past decade, and during the past two years it has been demonstrated that waterfront labor conditions can be stabilized and stoppages avoided. Shippers everywhere should be informed of this.

Labor has become conscious of its responsibilities and dependence on the shipping public and has forcefully expressed its desire to contribute to stimulated growth and progress by participation in promotional activities designed to stabilize conditions and increase waterfront employment opportunities.

(8) Surveys and Reports: In the course of the Committee's work, it was observed that many organizations are compiling and publishing, to one degree or another, statistical and other information about water commerce and harbor operations. However, too little has been done to make data from different sources available and in comparable terms.

Therefore, steps should be taken to coordinate and interpret statistical and other information from the Harbor Board, Department of the Army, Department of Commerce, and other agencies, in order that it may be disseminated in readily usable form for the information of the public and the guidance of port authorities and shippers.

(9) Traffic Solicitation and Development: The principal solicitation of traffic has been conducted in the past by carriers, both land and water, serving

San Francisco. The effectiveness of this solicitation can be improved by better information and coordination. This work has been supplemented by limited traffic solicitation by the Harbor Board which, however, is handicapped by state requirements and procedures. Additional support by community agencies can bring about marked improvement in this field.

Close cooperation between the Harbor Board and the Chamber's Industrial Department in efforts to attract new factories to San Francisco should result in creating new tonnage and traffic for the Port, since new industries which process foreign materials or produce for export fit naturally into the Port pattern.

In this connection, the Committee received testimony from exporters to the effect that there is substantial opportunity for increase in the export of products manufactured in the area tributary to the Port.

(10) **Publicity and Advertising:** Publicity and advertising on behalf of the Port of San Francisco has not seemed to impress potential shippers with its effectiveness, although substantial sums have been spent annually, particularly by the Board of State Harbor Commissioners.

The Committee was informed that there is an opportunity for great improvement in the field of relations with the press and the public as these relate to the day-to-day operation of the Port. These improved relations can be mechanized by better coordination of news releases, advertising, sponsored periodicals and other media.

While the necessity of security measures is recognized and may be controlling at the moment, the general public interest in shipping and the waterfront may be stimulated by affording the average citizen more

opportunities to familiarize himself with waterfront operations and facilities. If the progress of the waterfront is essential to the welfare of the average citizen, then definite steps should be taken, under normal conditions, to have him so informed about the Port's activities and prosperity that he can "help tell the world".

RECOMMENDATIONS: By its very nature, the Committee was limited to an objective study of the position of the Port and its potentials in the field of promotion. It became convinced that no such study group could hope to do more than point out the needs, and that promotion of the Port calls for community-wide support of an action program so set up as to insure an aggressive, resourceful and unremitting drive toward maximum development.

The Committee recommends that an agency be created to revitalize and promote the welfare and progress of the Port of San Francisco by coordinating all of the efforts now being made to sponsor additional efforts to capture all of the traffic which may benefit by movement through the Port of San Francisco.

The agency should be established as a department of the San Francisco Chamber of Commerce and its functions integrated with other departments such as Civic Development, Domestic Trade, Industrial, Public Affairs, Publicity, Research, Transportation and World Trade, all of which are already active to one degree or another in behalf of the Port. The Department should be under the direction of a permanent Port Promotion Committee to be appointed by the President of the Chamber.

The Committee wishes to emphasize that it believes the ultimate success of the program is directly contingent upon the composition of the committee responsible for carrying out its recommendations. It is therefore recommended that the

President of the Chamber consult with and draw upon all interested organizations and agencies, including the Mayor, for suggested and recommended committee personnel.

Criteria for committee membership should include deep interest in the Port, overall vision and viewpoint and leadership in community affairs. Appointees should be chosen on a city-wide, top-level basis and not limited to Chamber members.

Membership: Membership on the Committee should include representatives of:

- The Board of State Harbor Commissioners
- The City and County of San Francisco
- Manufacturers, wholesalers and retailers
- Importers and exporters
- Railroad, steamship, truck and airline companies
- The Marine Exchange
- Banks and insurance companies
- Labor unions
- Traffic and civic organizations
- Statistical organizations
- Publishers and advertising agencies
- Warehousemen, customhouse brokers and freight forwarders
- Engineers and builders

Organization: Under the leadership of a general chairman, the Port Promotion Committee should be divided into six sections, the chairmen of which, with the general chairman, should constitute an executive committee. The sections would be as follows:

- Carrier and Terminal Rates and Charges
- Carrier and Terminal Facilities and Services
- Labor-Management Relations
- Surveys and Reports
- Traffic Solicitation
- Publicity and Advertising

The functions of the respective sections are reflected by their names and would be coordinative and supplemental.

Staff: As a minimum, the department should be staffed by two persons, one a manager and the other, secretarial. So far as available, the manager should be a man experienced in traffic matters, port development, publicity and advertising, business solicitation and organizational work. Additional staffing is not proposed at this time as the Committee believes that a great pool of manpower is available through the coordinating of existing organizations, volunteer workers and the Chamber.

Program: Creation and operation of the department should proceed in this order:

- (1) Engagement of staff
- (2) Appointment of Committee and Sections
- (3) Committee and Section Organization and Orientation
- (4) Formulation of Program by Sections
- (5) Execution of Program by Sections
- (6) Direct Traffic Solicitation
- (7) Publicity and Advertising

Budget: The Committee considers the establishment of a budget for the proposed department to be a function of Chamber management, but does have

comment on two aspects of this subject.

First of all, budget items should cover salaries, traveling expenses, the preparation, production, and distribution of Port brochures and a periodical for those who control traffic routings; and overhead, including office supplies, postage, telephone services, publications, etc.

Secondly, in addition to funds which the Chamber makes available for the Port promotion budget, special contributions should be regularly provided by the Board of State Harbor Commissioners, the City and County of San Francisco, and others, including business and labor, having a special interest in the future of the Port, such special funds to be specifically budgeted and accounted for.

#

Special Report: September 8, 1950

To: Board of Directors, San Francisco Chamber of Commerce

From: Port Promotion Program Committee

Subject: Promotion and Improvement of the Port of San Francisco

INTRODUCTION: This is a report of the findings, conclusions and recommendations of a special committee of the San Francisco Chamber of Commerce appointed by President Henry E. North on October 13, 1949. Appointment of the Committee was in accordance with action taken by the Chamber's Board of Directors on October 6, 1949 on a recommendation from the Chamber's World Trade Committee "that the Board of Directors approve and initiate establishment of a top-level group under direct sponsorship of the Chamber, representing shippers, rail, ocean and air carriers, manufacturers, the city, labor and civic groups, to initiate a program for the coordination of Port improvement and promotion."

In planning to give effect to the Board's action, and in view of the complexities of Port improvement and promotion, the Committee determined that it should make a careful and objective inquiry into matters pertaining to the improvement, operation and promotion of the Port of San Francisco in order to determine the views of all possible interested groups and to formulate a more detailed plan of procedure than that contained in the report made by the World Trade Committee.

Therefore, this report is not so much a description of San Francisco's Port facilities, traffic and operations, as it is a statement of facts, observations, conclusions, and recommendations with reference to a program of utmost importance to the entire community.

STRUCTURE OF REPORT: In approaching this assignment, the Committee possessed rather broad information concerning the Port of San Francisco and other San Francisco Bay ports and the subject of water commerce. In order to become fully informed about subjects pertaining to the Port from different viewpoints, the Committee invited representatives of a wide number of groups to meet with it. At each of the Committee's meetings, a great variety of subjects was discussed and points were made respecting harbor management, the Port's facilities, steamship services, facilities and rates, land carrier facilities, services and rates, labor-management relations, and other subjects.

So that information developed by the Committee might have an organized pattern, this report first gives details about the Committee, its membership, meetings, and witnesses, then provides background information about the Port of San Francisco and other ports on San Francisco Bay and finally presents information under six headings, representing the major subjects developed at the meetings, as follows:

- Carrier and Terminal Rates and Charges
- Carrier and Terminal Facilities and Services
- Labor-Management Relations
- Surveys and Reports
- Traffic Solicitation
- Publicity and Advertising

Thus, this is not a chronological report of the Committee's meetings, but it does reflect what are considered to be the major points made at these sessions.

ACKNOWLEDGEMENTS: The Committee desires to take this occasion to express its appreciation of the fine spirit of cooperation and interest in the welfare of the

Port and the community evidenced by all of the persons who met with it. Without the cooperation of these many witnesses, the Committee could not have functioned.

The Committee also had the whole-hearted assistance of Chamber staff representatives and John H. Robinson, Chairman of the Port Promotion Committee of the Junior World Trade Association of the San Francisco Chamber of Commerce.

POR T PROMOTION PROGRAM COMMITTEE: Members of the Port Promotion Program Committee were as follows, with the names of staff representatives who have worked with it:

Committee Members:

Dwight K. Grady, Chairman
Rosenberg Bros. & Co., Inc.
230 California Street

DO 2-4080

Gerald A. Dundon, Vice-Chairman
Pope & Talbot, Inc.
320 California Street

DO 2-2561

W. F. Minehan
Bank of America, N.T. & S.A.
300 Montgomery Street

DO 2-6112

Ira S. Lillick
Lillick, Geary, Olson, Adams & Charles
311 California Street

GA 1-4600

Fred B. Galbreath
Marine Office of America
140 Sansome Street

GA 1-7939

T. R. Jamieson
Otis, McAllister and Company
310 Sansome Street

GA 1-6010

M. J. McCarthy
Berry & McCarthy
260 California Street

EX 2-8800

John H. Robinson
Harper, Robinson & Co.
510 Battery Street

DO 2-5930

Paul A. Bissinger (Ex-Officio)
Bissinger & Co.
Davis and Pacific Streets

SU 1-8780

Henry E. North (Ex-Officio)
Metropolitan Life Insurance Co.
600 Stockton Street

DO 2-7000

Chamber Staff On Committee:

G. L. Fox, General Manager
San Francisco Chamber of Commerce

Walter A. Rohde, Manager
Transportation Department
San Francisco Chamber of Commerce

Alvin C. Eichholz, Manager
World Trade Department
San Francisco Chamber of Commerce

Robert H. Langner, Assistant Manager
World Trade Department
San Francisco Chamber of Commerce
Secretary, Port Promotion Program Committee

Following is a detailed list of twenty meetings held, major subjects considered and the fifty- seven guests:

Nov. 29, 1949 - San Francisco Commercial Club - 12:10 P.M.

Agenda: Initial Committee meeting to outline operation and objectives
Guests: None

Dec. 9, 1949 - San Francisco Commercial Club - 12:00 Noon

Agenda: To meet with Representatives of the Board of State Harbor Commissioners
Guests: B. J. Feigenbaum, President, Board of State Harbor Commissioners

W. P. Fuller Brawner, Commissioner

W. G. Welt, Commissioner

Carl Smith, Secretary of the Board

Dwight L. Merriman, First Vice President,
San Francisco Chamber of Commerce

Dec. 20, 1949 - Room 306, San Francisco Chamber of Commerce Building -

10:00 A.M.

Agenda: Joint meeting with Chamber Merchant Marine and Harbor Committee to discuss shipping and related matters with Mr. Frank Pellegrini, Chief Counsel for Sub-Committee on Merchant Marine and Maritime Matters of U.S. Senate Committee on Interstate and Foreign Commerce.

Jan. 10, 1950 - San Francisco Commercial Club - 12:10 P.M.

Agenda: To discuss viewpoint and policy of the City regarding the Port.

Guests: City Officials:

Hon. Elmer E. Robinson, Mayor of San Francisco

Francis V. Keesling, Jr., Washington Legal Representative, City and County of San Francisco

Donald W. Cleary, State Legislative Representative, City and County of San Francisco

Jan. 27, 1950 - San Francisco Commercial Club - 12:10 P.M.

Agenda: To discuss problems confronting shippers' traffic management.

Guests: Traffic Managers:

R. F. Ahern, Traffic Manager, Rosenberg Bros. & Co., Inc.

A. T. Eche, District Manager, F. W. Woolworth Company

W. F. Krause, Assistant Traffic Manager, Crown Zellerbach Corporation

P. S. Labagh, Assistant Traffic Director, California Packing Corporation

James L. Roney, Traffic Manager, S. & W. Fine Foods, Inc.

L. H. Wolters, Traffic Manager, Golden State Company, Ltd.

Feb. 3, 1950 - San Francisco Commercial Club - 12:10 P.M.

Agenda: To discuss cargo handling problems from the local draymens' point of view.

Guests: City Draying Companies' Representatives:

Russell Bevans, Secretary-Manager, Draymen's Association of San Francisco

George D. Hart, Vice President, Farnsworth & Ruggles

George Patton, Manager, Drayage Department, Haslett Warehouse Co.

L. B. Raymond, Vice President, Overland Freight Transfer Co.

Feb. 10, 1950 - San Francisco Commercial Club - 12:10 P.M.

Agenda: To discuss long haul trucking to and from the Port.

Guests: Contract Truck Operators:

C. A. Baker, Northern Division Manager, Fortier Transportation Co., Richmond

David L. Ditto, Manager, V. Lippolis Draying Co., San Jose

Donald A. Mitchell, Partner, Riske Trucking Co., Sacramento

Feb. 17, 1950 - San Francisco Commercial Club - 12:10 P.M.

Agenda: To discuss warehouse relationships to Port traffic.

Guests: Warehouse Representatives:

J. W. Howell, Vice President, Haslett Warehouse Co.

Irving Culver, President, Turner-Whittel Warehouse, Inc.

H. F. Hiller, President, San Francisco Warehouse Co.

Feb. 28, 1950 - Room 206, San Francisco Chamber of Commerce Building -

10:00 A.M.

Agenda: Discussion of pier receiving problems with special sub-committee.

Guests: B. L. Legg, Richmond Chase Company, San Jose

C. E. Nordling, Terminal Superintendent, American President Lines

Zane A. Stickel, Zane A. Stickel & Co.

Mar. 3, 1950 - San Francisco Commercial Club - 12:10 P.M.

Agenda: To discuss trans-pacific traffic.

Guests: Pacific Westbound Conference Members:

W. K. Varcoe, Vice President, American President Lines

George E. Talmadge, Vice President, Pacific Transport Lines

A. L. Wise, Traffic Manager, Kerr Steamship Co.

E. L. Bargones, Vice President & General Manager, Transpacific Transportation Co.

Mar. 10, 1950 - San Francisco Commercial Club - 12:10 P.M.

Agenda: To discuss European and Latin American traffic.

Guests: Members of the European and Latin American Conferences:

R. F. Burley, Secretary-Chairman, Latin American Conferences

John F. McArt, General Chairman, Pacific Coast, European Conference and various Latin American Conferences

L. I. McKim, Traffic Manager, General Steamship Corporation

Mar. 17, 1950 - San Francisco Commercial Club - 12:10 P.M.

Agenda: A discussion of labor's viewpoint on Port situation.

Guests: Union Representatives:

Philip C. Sandlin, President, International Longshoremen's & Warehousemen's Union

Eddie Tangen, National Secretary-Treasurer, National Union of Marine Cooks and Stewards

Paul Pinsky, Research Director, National Union of Marine Cooks and Stewards

Mar. 24, 1950 - San Francisco Commercial Club - 12:10 P.M.

Agenda: A discussion of labor's viewpoint on the Port situation.

Guests: Union Representative:

Daniel Sweeney, Business Representative, Teamsters' Union

Mar. 31, 1950 - San Francisco Commercial Club - 12:10 P.M.

Agenda: Reports on New Orleans.

Guests: None

Apr. 14, 1950 - San Francisco Commercial Club - 12:10 P.M.

Agenda: A discussion of railroads' relationship to the Port.

Guests: Railroad Traffic Managers:

Herman W. Klein, Freight Traffic Manager, Southern Pacific Co.

H. A. Lawrence, Traffic Manager, Union Pacific Railroad Co.

Berne Levy, General Freight Agent, Atchison, Topeka & Santa Fe Railway Co.

M. W. Roper, Freight Traffic Manager, Western Pacific Railroad Co.

Apr. 28, 1950 - San Francisco Commercial Club - 12:10 P.M.

Agenda: A discussion of Port from Harbor-wide viewpoint.

Guests: A. A. Moran, Chairman, Maritime Committee of Bay Area Council

M. A. Cremer, Executive Secretary, Marine Exchange

A. C. Meadows, Assistant Traffic Manager, Port of Oakland

Gen. Robert H. Wylie, Port Manager, Board of State Harbor Commissioners

June 9, 1950 - San Francisco Commercial Club - 12:10 P.M.

Agenda: A discussion of exporters' problems.

Guests: Exporters:

James S. Baker, James S. Baker Co.

Daniel Polak, Partner, Polak, Winters & Co.

Justin Radin, Wilbur-Ellis Company

June 16, 1950 - San Francisco Commercial Club - 12:10 P.M.

Agenda: A discussion of intercoastal and coastwise traffic problems.

Guests: Coastwise & Intercoastal Representatives:

C. R. Nickerson, Secretary-Manager, Pacific Coastwise Conference

Charles Lynch, Freight Traffic Manager, Coastwise Line

R. F. Burley, Intercoastal & Coastwise Traffic Expert

June 23, 1950 - San Francisco Commercial Club - 12:10 P.M.

Agenda: A discussion of press and public relations of the Port.

Guests: Newspaper Representatives:

Frank Clarvoe, Editor, SAN FRANCISCO NEWS

Randolph Hearst, Publisher, CALL-BULLETIN

Clarence Lindner, Publisher, SAN FRANCISCO EXAMINER

Thor M. Smith, Assistant Publisher, CALL-BULLETIN

Newton Wise, Editor, DAILY COMMERCIAL NEWS

June 30, 1950 - San Francisco Commercial Club - 12:10 P.M.

Agenda: Review and planning by Committee.

Guests: None

THE PORT OF SAN FRANCISCO: The harbor and public marine terminal facilities located in the City and County of San Francisco are operated as an enterprise of the State of California under the direction of a Board of State Harbor Commissioners appointed by the Governor. Current members of the Board are: B.J.Feigenbaum, Chairman; W.P.Fuller Brawner, and W.G.Welt. General Robert H. Wylie is the Port Manager and the Board's chief administrative officer. He directs the administrative, operating and engineering staff of the Board.

CONTROL: The Board of State Harbor Commissioners is guided in its improvement and operations of the Port of San Francisco by the State Harbors and Navigation Code under the terms of which the bases of rentals for its facilities must be reasonable, it appearing that the Board must pro-rate its costs of operations among the users of the Port and Board properties. The Board is not required to make a profit from the use of its facilities but its rates must be compensatory and it is expected to derive sufficient revenues to service the debt created through bond issues to finance the Port's improvements. In this respect, the Board's problems differ materially from those of other ports where improvement bond issues are generally serviced from tax revenues.

Over the years many questions have been raised as to whether control of the Port of San Francisco should be transferred from the State to the City and County of San Francisco, to a harbor district, or to some other port authority.

At the 1949 session of the California State Legislature, by resolution, a Senate Fact-Finding Committee on Establishing a Port Authority for San Francisco Bay was created. This committee commenced a series of hearings early this year and will make a report to the 1951 Legislature. The subject assigned to it is being explored by the committee and the results of its work will merit the most serious consideration by all interests concerned with the welfare of all of the ports on San Francisco Bay.

Questions pertaining to legal control of the Port were discussed at length by various witnesses who met with the Port Promotion Program Committee. However, the Committee believes questions of legal control in the operation of the Port are of secondary importance and that the primary concern is the active development of the Port through improvement, promotion, expansion of service, and the like, regardless of what the controlling entity may be.

The task before us is a challenge to the entire community and the job to be done will be a community responsibility.

COMPETITION: Competition in which the Port is involved may be said to have two major aspects - one relating to other ports including those on San Francisco Bay, the other relating to the different modes of transportation available to shippers.

Questions as to San Francisco's relationship with other ports in the San Francisco Bay Region were considered at length by the Committee and its guests. It was the conclusion of the Committee that San Francisco should provide the

leadership to attract additional commerce to San Francisco Bay, it being the objective of San Francisco interests to sell shippers on using those port facilities in the Bay Area which meet their requirements most efficiently and economically with the expectation that San Francisco will get that share of the business to which it is entitled.

The Committee further believes that increased volume of business for rail, truck and air carriers serving San Francisco will result from overall increases in traffic which may be developed through the Port.

FACILITIES: The facilities under control of the Board of State Harbor Commissioners consist of 56 piers and quay wharves, which have been augmented by the huge new Mission Rock Terminal, and the State Belt Railroad which serves the waterfront and adjacent properties. In addition, there are specially-equipped terminals for handling bulk and sacked grain, bulk copra and other oil-bearing materials, bananas, refrigerated cargo and lumber.

While a number of new piers and commodity terminals have been built in the last two decades, and several of the older piers are adequate for the types of business they are handling, others are antiquated and inadequate for the economical handling of large cargoes.

The finger-type piers which predominate on the San Francisco waterfront are not generally as suitable for the receipt and delivery of cargo by truck as other port facilities in the Bay Area. The Committee has heard much criticism from both shippers and truckmen on this score.

Mission Rock Terminal, which has been leased by the American President Lines, will provide ideal truck access and this problem will also be met through improvements being made by the enlargement of piers 30 and 32 for the Matson

Navigation Company. Here the intervening slip will be decked over to provide tailgate loading and unloading and facilities for improved turn-around for trucks as well as large additional cargo-handling space.

Many persons who met with the Committee commended the Board of State Harbor Commissioners for the establishment of the Foreign Trade Zone, the Mission Rock Terminal, the specially-equipped commodity terminals and the modernization of the Matson Piers. These facilities were said to have brought in and will continue to bring in large new tonnages to the Port.

TRAFFIC: In terms of general cargo statistics, the Port of San Francisco is the Pacific Coast's leading port. On the other hand, overall traffic data are difficult to analyze and aggregate tonnage figures are sometimes misleading. However, it is significant to note that total traffic through the Port has tended to decline since 1930.

Decreased volumes through San Francisco have been caused by a variety of technological, economic and international factors, largely beyond the control of local interests.

Tonnages over San Francisco docks (excluding carferry traffic, bulk oil, sand, gravel, etc.) have been as follows:

| Trade (in tons) | 1930 | 1935 | 1940 | 1949 |
|----------------------|------------------|------------------|------------------|------------------|
| Inland Waterway | 5,459,352 | 4,070,230 | 2,635,638 | 2,977,864 ✓ |
| Coastwise | 2,014,370 | 1,518,275 | 757,000 | 105,939 ✓ |
| Intercoastal | 1,355,258 | 1,551,939 | 1,261,669 | 611,459 |
| Foreign and Offshore | <u>3,103,435</u> | <u>2,428,352</u> | <u>2,344,824</u> | <u>2,641,006</u> |
| TOTAL | 11,932,415 | 9,568,796 | 6,999,131 | 6,336,268 |

Peak Year Tonnages in Various Trades,
Compared to 1949, (War Years Excluded)

| | | Years | Tons | 1949 Tons |
|----------------------|----------|-------|-----------|-----------|
| Inland Waterway | Inbound | 1930 | 3,955,668 | 2,579,783 |
| " " | Outbound | 1927 | 1,896,021 | 398,081 |
| Coastwise | Inbound | 1925 | 1,516,383 | 94,141 |
| " | Outbound | 1929 | 1,101,984 | 11,798 |
| Intercoastal | Inbound | 1929 | 803,385 | 425,520 |
| " | Outbound | 1935 | 914,544 | 185,939 |
| Foreign and Offshore | Inbound | 1928 | 1,237,519 | 593,706 |
| " " " | Outbound | 1947 | 3,178,823 | 2,047,300 |

It will be observed that San Francisco's greatest tonnage losses have occurred in the inland waterway and coastwise trades. This condition is not peculiar to San Francisco. All port facilities on San Francisco Bay experienced comparable losses in these trades, and all ports on the Pacific Coast shared in the loss of coastwise business. The trucks, which give faster and more complete service, have taken over most of the inland waterway traffic, and together with the age and mounting operating costs of river steamers and barges, have caused the almost complete disappearance of these craft.

Coastwise operations between California ports have ceased altogether, and there is only very limited operation between California and ports in Oregon and Washington. In 1930, there were 147 vessels in the coastwise trade. Today there are 11. The operators claim that the decline of this trade is due primarily to unduly low rail rates approved by the Interstate Commerce Commission.

which rendered it impossible for the operators to raise their own rates sufficiently to meet greatly increased costs of labor, fuel and supplies. Other stated factors are lack of effective regulation, strikes and frequent interruptions of service, age of the vessels, unbalanced movement because the northbound tonnage was always lighter than the southbound, the decline of the lumber traffic because of depletion of timber in the Puget Sound-Columbia River areas and truck competition. Finally, it is stated that while the great majority of the freight vessels in this service prior to 1940 cost between \$50,000 and \$250,000 each, the only vessels that can now be purchased cost upward of a half-million dollars.

Intercoastal: The drop in San Francisco's intercoastal inbound tonnage is accounted for largely by the overall decline of this trade. Prior to the war, there were about 150 vessels in the intercoastal fleet, compared to 56 at present. The operators ascribe this decline primarily to low rail rates between the Pacific Coast and territory tributary to the Atlantic and Gulf Coasts. Although all of these rail rates have been increased very substantially in recent years, the water lines have been forced to increase their rates in proportion to meet rising costs of labor, fuel and supplies. It is claimed that prior to the war, they were able to reach inland several hundred miles for desirable cargo but now the distance is not much more than one hundred miles. High stevedoring costs, excessive Panama Canal tolls and the high capital cost of vessels for operation in this trade are other factors. Public confidence in the stability of the service has not been restored entirely, as many shippers remember interruptions through strikes and work stoppages, and some are still hesitant about shipping Christmas or other seasonal

merchandise for that reason.

San Francisco's loss of outbound intercoastal tonnage is far greater in proportion than the general decline of the trade. Much of this tonnage, principally canned goods and dried fruit, has been diverted to the East Bay terminals and Stockton in the past twenty years. Some of the factors responsible for this diversion are lower land carrier rates from producing points immediately tributary to the East Bay and Stockton, the concentration of canning and dried fruit plants there, multiple berth operation which allows a shipper to deliver at one terminal several consignments for different steamship lines, shipside storage and very active solicitation. Also, as previously mentioned, the East Bay and Stockton terminals are more accessible by truck and fewer delays are encountered there.

The Board of State Harbor Commissioners has for the past 20 years or more attempted to meet the multiple berth problem. Its Belt Railroad Tariff permits cars containing cargo for ocean movement from points outside of San Francisco to be switched to three different piers without extra switching charge. The Board also leased part of its facilities to the State Terminal Co., and the Golden Gate Terminals, which conducted operations similar to those of the East Bay terminals, which operations were only partly successful and which were discontinued during the last war. Similarly, leasing of facilities to the Islais Creek Grain Corporation permits shipside storage of both bulk and sacked grain. The Board cannot directly engage in shipside storage as it is prohibited from doing so by law.

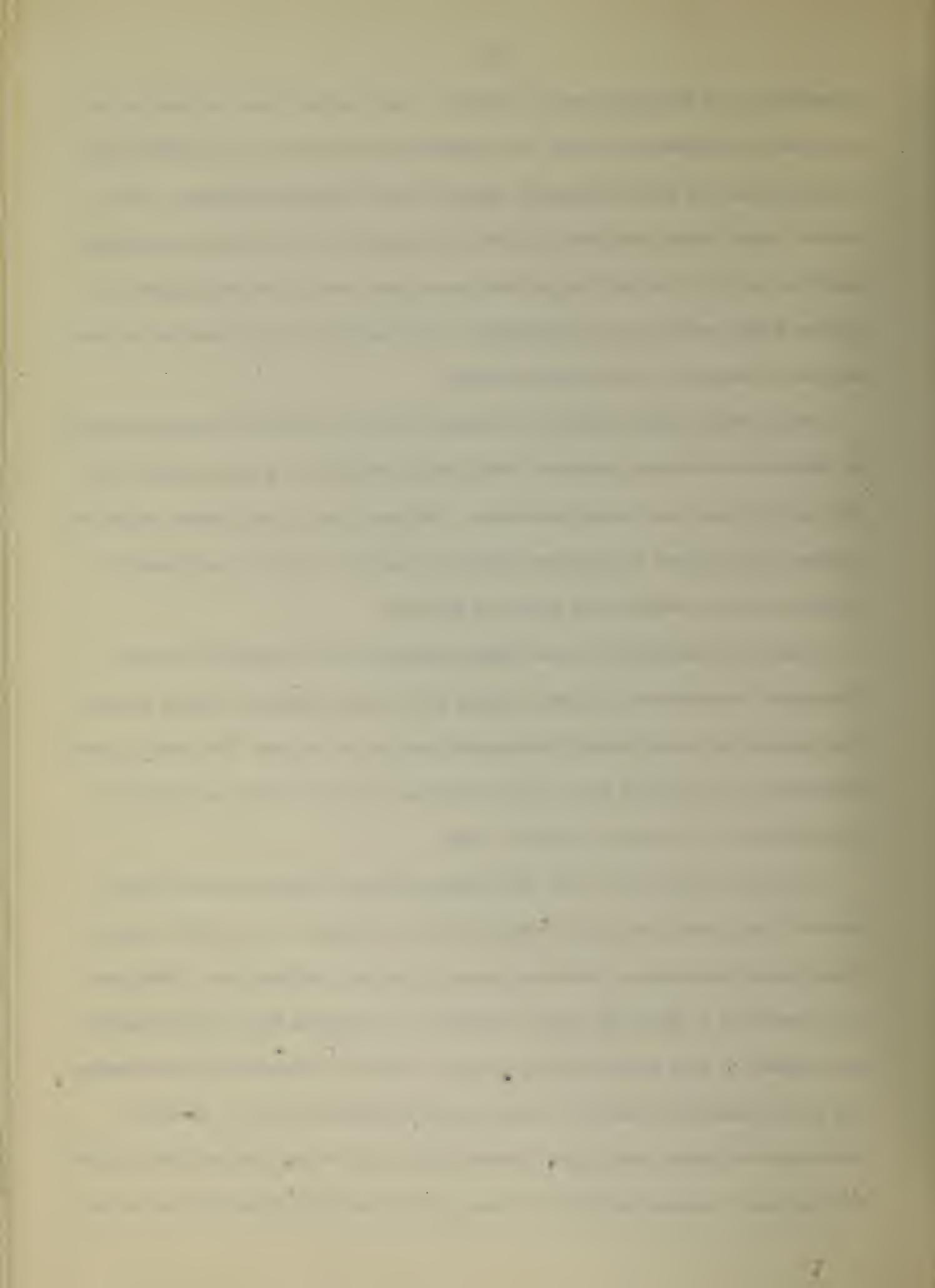
Imports: The decline in imports is partially accounted for by world conditions, including loss of production in war-devastated countries and by economic

disturbances in those and other countries. The greatest loss is found in imports from Continental Europe, but substantial declines are also noted in the tonnage from the United Kingdom, Japan, China, India and Indonesia. To a lesser extent there have been declines in importation of various commodities such as raw silk, burlap, tung oil and chemicals, due to the development of United States production or substitutes. An example of the former is the production of tung oil in the southern states.

. On the other hand, imports from South America increased very materially in the interim between 1928 and 1949, notably imports of green coffee, ores and concentrates and crude petroleum. The ores and the petroleum, while included in the figures for the San Francisco Customs District, are handled mainly over privately-owned docks up the Bay.

In the intervening years, the import tonnage for San Francisco proper fluctuated considerably, and the reports of the Army Engineers show similar fluctuations for other United States ports and for the nation. The most drastic fluctuations occurred at New York, which had 21,665,727 tons in 1941, only 9,351,036 in 1942, and 15,119,544 in 1943.

The Army figures for 1947, the latest available, indicate that all major Pacific Coast ports have lost in their volume of imports since 1930, except Long Beach which was a relatively undeveloped port in that year. Using the same years as a basis, the ports of Baltimore, Hampton Roads and Philadelphia appear to have made important gains, with New Orleans and Boston gaining more moderately and New York showing considerable loss. Houston, Beaumont and Baton Rouge also showed losses. Here again there were violent fluctuations. Houston had 380,793 tons in 1930 and 275,400 in 1947 but in the



interim had 1,457,943 in 1940 and only 73,479 in 1945.

Standing alone, the Army's tonnage figures for the various ports do not afford a reliable index. They are not broken down by country of origin and further include vast tonnage of bulk commodities which are usually discharged at privately-owned docks. To determine why the Port of San Francisco has lost import tonnage and whether it was lost to other ports is a difficult task. The answers, to the extent that they can be found at all, must be found in a comparison of San Francisco's tonnage with that of other major ports, commodity by commodity and year by year, and such comparisons must be weighed against world trade conditions to be of any value.

Exports: San Francisco's tonnage of outbound foreign and off-shore cargo for the year 1949 is only 80,000 tons below that of 1929 which was the peak year prior to the war years, when the tonnage mounted to an all-time high of 5,355,897 in 1945. It declined to 2,513,541 in 1946, rose again to 3,178,823 in 1947 and fell back to 2,043,968 in 1948. While, as stated in connection with imports, the tonnage at all ports may fluctuate widely in different years, the above fluctuations in San Francisco's tonnage are largely due to falling off of wartime traffic and to labor disturbances. In 1946, the sailors were out from September 5 to September 24. The deck officers and engineers struck on October 1 and went back to work November 23. In 1948, the longshoremen, cooks and stewards and other crafts were on strike from September 2 to December 6. Two major strikes in 1949 also affected San Francisco's tonnage adversely. The I.L.W.U. warehousemen were out from June 15 to October 1. The Hawaiian longshoremen's strike lasted from May 1 to October 6. Since Hawaiian tonnage is included in the Harbor Board's foreign and off-shore

figures, it is apparent that a much better showing would have been made by San Francisco in 1949 if labor peace had prevailed throughout the year.

As to other ports, Army Engineers' figures from 1930 to 1947, indicate spectacular gains in export tonnage were made by Hampton Roads, Baltimore and Philadelphia, but examination shows that the gains were due mostly to unprecedented shipments of coal and grain for relief purposes. To a lesser extent, this is also true of New Orleans and Mobile. Some coal was also exported from Long Beach, Los Angeles, Portland and Seattle during 1947.

Comparison of the 1949 San Francisco Customs District figures with those of 1929 indicate substantial drops in exports to the United Kingdom, Continental Europe, Australia and Canada. Gains are indicated in the case of the Philippine Islands, the Persian Gulf area, India, Japan and Africa.

The commodity showing the greatest decline is barley. In 1929, the United Kingdom took 221,777 tons, while the record shows no shipments to the United Kingdom in 1949. Some declines are also noted in canned goods and dried fruit, but shipments of fresh fruits and vegetables have increased, although not enough to offset the drop in canned and dried. Increases are noted in cotton, canned milk, iron and steel, and fertilizers.

The loss of export tonnage of canned goods and dried fruit shown by Customs District figures probably fell almost entirely on San Francisco. Indications are that the East Bay terminals have maintained their volume of these commodities, which is borne out by the fact that certain lines in the European trade, which are heavy carriers of these commodities, load only at the East Bay terminals.

As with imports, the tonnage of export commodities that may flow through

a port is subject to many influences and conditions. A detailed analysis of tonnage figures over a period of many years will throw some light on the matter, but will not furnish the complete answer.

Because of the conflict which has developed in Korea, there has been an immediate increase in the volume of traffic moving through San Francisco. But, entirely aside from emergency conditions, the Committee was told that large volumes of freight may be attracted for movement through San Francisco by a better coordinated and broader program of advertising, publicity and solicitation than that conducted in the past. It has not been the Committee's function to measure the full potential of traffic for San Francisco Harbor. Nevertheless, its members are convinced that greater promotional efforts are fully justified even during the Korean emergency in order to establish San Francisco's advantages for recognition by shippers throughout the nation and world when the emergency is over.

FINANCES: The facilities under control of the Board of State Harbor Commissioners had a book value of \$84,977,383.82 as of June 30, 1949. Current assets amounted to \$8,280,545.55. Funded debt was \$23,153,000.00, against which sinking funds of \$8,122,503.71 had accumulated.

Issuance of bonds can only be authorized by the State Legislature, subject to voter approval at a general election. Actual issuance is governed by a specially-constituted bond committee, which fixes the date and amount of the issue, the interest rate and the maturity date. Only \$3,000,000 of authorized bonds remain to be issued and sold.

Revenues are obtained solely from rentals, dockage, wharfage, wharf demurrage and other sources as set forth in the Board's tariff and from

switching and other services rendered by the State Belt Railroad. By law, the Board has always been prohibited from collection of greater charges than necessary for the performance of its prescribed duties and for bond interest and redemption. In other words, the Board has been prohibited from piling up any large surplus.

The Board never has had the benefit of any tax subvention; the facilities now existing have not cost the taxpayers of the State one penny. In contrast, a number of municipally-owned ports, both in the Bay Area and elsewhere, have the benefit of tax subvention, or revenue from sources other than port operations. A notable example of the latter is the royalty from petroleum production on harbor properties at Long Beach and Los Angeles Harbor.

Since the Board is literally compelled to operate within its income and since its charges are not only held down by competition but are now as high as the traffic will bear, it is clear that only substantial increases in traffic and resulting increases in revenue or additional bonds will provide the capital necessary to make vital, large-scale improvements in the Port's facilities.

Following is a statement of income and expense for the fiscal years ended June 30, 1930, 1940 and 1949:

Fiscal Year ending June 30:

| | 1930 | 1940 | 1950 |
|---|-----------------|-----------------|-----------------|
| Operating Revenue, including Rentals | \$ 3,145,600.50 | \$ 2,434,069.61 | \$ 4,118,218.24 |
| Non-Operating Revenue | 50,456.17 | 49,700.76 | 264,302.80 |
| Interest from Sinking Funds | 19,709.45 | 120,596.25 | 120,190.00 |
| Bond Sale Premiums | - | - | - |
| Total Revenue | \$ 3,215,766.12 | \$ 2,604,366.62 | \$ 4,502,711.04 |
| Operating and Administrative Expense | \$ 1,591,050.79 | \$ 1,616,197.15 | \$ 3,147,843.52 |
| Bond Interest and Discount | 742,908.88 | 772,120.00 | 865,645.27 |
| Uncollectible Accounts | 1,398.27 | 692.62 | - |
| Total Expense | \$ 2,335,357.94 | \$ 2,389,009.77 | \$ 4,013,488.79 |
| Profit Before Depreciation | \$ 880,408.18 | \$ 215,356.85 | \$ 489,222.25 |
| * Depreciation | - | - | 784,025.60 |
| Loss | - | - | 294,803.35 |

* Note: Depreciation not carried as an expense item in 1940 and 1930 although reserves for depreciation, established when port properties were appraised and revalued in 1929, appeared in the Board's statement of Assets and Liabilities.

OTHER SAN FRANCISCO BAY REGION PORTS: During recent years, a number of ports with excellent terminal facilities have been developed in the San Francisco Bay Region. These include Alameda, Oakland, Redwood City, Richmond, and Stockton. Traffic in tons of 2000 pounds has been as follows, with comparable information for San Francisco:

| Port | 1930 | 1948 |
|-----------------------------|-------------------|-------------------|
| Oakland (Municipal) | 445,311 | 1,309,318 |
| Oakland (Howard Terminal) | 511,799 | 627,664 |
| Alameda (Encinal Terminals) | 557,661 | 479,360 |
| Richmond (Parr Terminals) | 244,688 | 589,043 |
| Redwood City | *** | 306,848 |
| Stockton | *** | 1,003,476 |
| TOTAL | 1,759,459 | 5,955,615 |
| San Francisco | 11,932,415 | 6,072,967 |
| TOTAL | 13,691,874 | 12,028,582 |

The ports which have been enumerated reflect a wide variety of control and operating practices. The major facilities at Oakland are operated under the direction of a Port Commission which is a part of the municipal government. Other diversified facilities on the Oakland waterfront are operated by Howard Terminal, a private corporation.

At Alameda, the port facilities are operated by Encinal Terminals.

The major marine terminal facilities at Redwood City are an adjunct of the City government.

While much of the Port of Richmond has been developed by the city, other terminals have been developed by the Parr-Richmond Terminal Company and all of the public marine terminal facilities are operated by this corporation which has a leasehold on the city-owned properties.

Most of the facilities at Stockton were provided through the proceeds of a city bond issue, but the Port is now operated under the jurisdiction of the Stockton Port District and its Commission.

All of these ports have varied facilities, some of which have been provided to specialize in the handling of certain types of cargoes and all of which have capacities in excess of current normal demands. The publicly owned harbor improvements have generally been made through the proceeds of bond issues which are serviced through tax monies rather than through income from operations.

While any conclusion would simply be a matter of opinion, it appears that management of some of the ports in the Bay Region has been more aggressively conducted than that of San Francisco proper and that the economic welfare of all of the communities and ports within the region is interdependent. Therefor, it is to San Francisco's interest to see all of the Bay Region ports progress and prosper.

CARRIER AND TERMINAL RATES AND CHANGES: Probably no other single factor -- such as services, facilities, trade customs, friendships -- has as much influence on the routing of passenger and freight movements as their cost. While definite efforts should be made to attract the movement of passengers to and from and through the Port of San Francisco by water, freight traffic was given the major attention of the Port Promotion Program Committee and this is the primary subject considered herein.

Fundamentally, rates and charges are covered by published tariffs which are filed with and subject to the jurisdiction of regulatory authorities such as the California Public Utilities Commission, the Interstate Commerce Commission and the Federal Maritime Board (formerly the Maritime Commission). The nature and levels of the charges and rates are the results of evolution representing something of a balance between the minimum that will sustain the facilities and services of the carriers and terminal operators, and the maximum that will attract and hold traffic. Competitive forces also have a strong influence.

So far as marine terminals are concerned, there are wide variances in their histories which are reflected in the rates and charges to which they are entitled and the manners in which they are assessed. In many cases -- particularly in the Pacific Northwest and on the Atlantic Coast -- marine terminals were provided historically by land and/or water carriers; and costs of their establishment, maintenance and operation are covered by what are commonly considered to be the "long haul" rates.

In other instances, particularly in California, marine terminals have been established, maintained and operated directly or through other parties by the state, cities, port districts and private companies which do not participate in the "long haul" carrier revenues. Consequently, the charges provided for in the tariffs are levied in various ways but, in the last analysis, are borne by the freight.

According to statements made to the Committee, levels and methods of billing terminal charges -- wharfage, handling, carloading and unloading, etc. -- have diverted cargoes from San Francisco and other Pacific Coast ports.

Consequently, while the fundamentals of the circumstance cannot be changed, many refinements in the level of the rates and the methods of assessing them can be accomplished and would result in more business for the Port.

This was demonstrated twice in the course of the Committee's activities. In one instance, the Harbor Board published new items in its tariff providing for the equalization of its wharfage charges with those of competitive ports on certain long haul traffic. In the other example, rail and water carriers, except the Hawaiian lines, have agreed to absorb wharfage and car unloading charges on transcontinental traffic which will eliminate separate billings directly against shippers of a type that were unexpected, not understood and negative so far as the attraction of traffic

is concerned.

Carrier tariffs, as has been indicated, are the product of evolution which never ceases. As ports have become more aggressive, they have stimulated the refinement of tariffs to influence the routing of traffic. While many land and water carrier rates to and from San Francisco have been found just and reasonable and are competitive with those available to and from other ports, business conditions are constantly changing and call for tariff adjustments to protect the position of the Port of San Francisco. Many adjustments are continuously being processed but there must be constant search for further opportunities along that line. Analyses of rate structures should be expanded so that corrective steps can be taken in order to give a current picture of San Francisco's competitive position in relationship to (a) other ports of the Bay Region, (b) other ports on the Pacific Coast and (c) other ports on the Gulf and Atlantic Coasts. Concurrently, the foreign and domestic areas which may be served at an advantage, or at least on an equal basis, by the Port of San Francisco should be clearly defined and exploited in all promotional activities.

For many years, the Chamber's Transportation Department has taken an active interest in port and terminal charges, as well as in the rates of all types of carriers to and from this and competing ports. It has participated in numerous formal cases involving such rates and charges before the Interstate Commerce Commission, the former Maritime Commission and the Public Utilities Commission of California. It has also participated in many conferences with carrier groups, and has supported scores of individual rate proposals which were deemed beneficial to the Port, and on the other hand, has opposed many which appeared detrimental.

However, it should be pointed out that on the Pacific Coast alone, there are

upward of twenty shipping conferences governing ocean rates in various trades. An even greater number are functioning on the Atlantic and Gulf Coasts. Equally numerous are the railroad and truck rate bureaus. All can and do process rate proposals which may affect this or competing ports, and the aggregate number of such proposals runs into the hundreds at any given time. Such proposals frequently involve conflicting interests which are difficult and sometimes impossible to reconcile.

The Chamber's Transportation Department, with its limited personnel and budget, finds it impossible to keep abreast of every rate proposal and tariff change, or to take effective action on all of them. This requires a larger organization and greater resources than are presently available.

CARRIER AND TERMINAL FACILITIES AND SERVICES: It was not the function of the Committee nor is this the place for a complete analysis of all of San Francisco's carrier and terminal facilities and services. It is sufficient to report that, as in the case of rates and charges, the facilities and services are not subject to revolutionary innovations, but to continuous improvement and adaptation and compare favorably with those which are available at other ports.

Therefore, comment under this heading may be condensed into three parts: Improvements, Apparent Deficiencies, and Services related to handling.

IMPROVEMENTS: While the Harbor Board has spent time, effort and funds to publicize Port improvements and they may be well known to some present and potential shippers, the Board's improvement program has been more notable than generally recognized. This is evidenced by the Foreign Trade Zone, ship-side refrigeration facilities, the Islais Creek grain terminal with its bulk-handling equipment, work which is under way for the Matson Navigation Co. on

piers 30, 32 and 35, the Mission Rock Terminal which is leased to the American President Lines, preliminary work on the site of the first unit of the World Trade Center and negotiations which recently have been concluded with the Atchison, Topeka and Santa Fe Railway for the long-range relocation of its San Francisco ferry, yard and related facilities.

Greater efforts should be made to inform the public about the constant improvement of San Francisco's waterfront facilities because it seems to be more difficult to make good news travel than reports of less favorable happenings.

Although the improvements which have been made recently on the waterfront, or are planned, are notable, the Committee was not acquainted with any master plan for continued improvements for execution in stages as demands grow or funds become available. Such a plan would engender shipper and public interest and give assurances that no opportunity is to be lost.

During World War II, ports throughout the nation were improved as to facilities and otherwise by Federal agencies in connection with the War effort. Because of its extensive facilities, probably the Port of San Francisco afforded the greatest service of any port in facilitating War traffic. And yet, few improvements in the Port's facilities were made by the Government. During the present emergency, it is possible that traffic may be expedited if additional or improved facilities are created at San Francisco by the Government. Such possibilities should not be overlooked.

DEFICIENCIES: Most of San Francisco's terminal facilities are finger-type piers -- covered wharves with shipside aprons -- extending from the shore out into the Bay. Practically all of them were planned and many of them built before the motor truck and highway freighting developed. Use of present facilities can

be stimulated, however, by (a) their better adaptation to use by trucks, and (b) provisions for the scheduling of truck movements.

While congestion on marine terminals may occur regardless of facilities and scheduling, some costly tying-up of labor, truck equipment and freight on the San Francisco waterfront was reported. Remodeling of piers 30 and 32 will demonstrate the feasibility of adapting existing improvements to more efficient and economical truck-use, and some truck operators explained that they did (and others could) avert undue delays on the waterfront by proper advance notice to wharf operators as to arrival schedules or special arrangements for the discharge of line-haul equipment at warehouses away from the waterfront and then transfers to wharves.

The latter practice is not particularly economical, but it does appear that Port and wharf lessees could make truck movements more efficient and economical to themselves and to truck operators by inducing the latter to give advance delivery notice to wharfingers.

FREIGHT HANDLING: The increasing costs of handling freight between wharves and ships have grown in importance with respect to the influencing of freight routings. Such costs have been at the root of inland waterway and coastwise traffic shrinkages. Therefore, the subject must be one of constant research and observation in order that the Port will have the benefits of technological and other freight-handling developments.

In this field are the pallets - small, portable platforms on which freight may be moved to, on and from land and water carriers by fork-lift trucks and slings. Packaged freight may be handled in multiples rather than singly by use of pallets. Ownership of pallets varies, but it generally vests in the shipper and at

some point he frequently wants them introduced into the flow of traffic or re-captured from it.

The dock or marine terminal may be this point. The consequent problems and their solution demonstrate how Port services can be improved. Much of the freight which should move outbound through San Francisco originates at Bay Area factories. Common practice for products which can be palletized would be to move them to and discharge them on San Francisco wharves on pallets where they remain until the freight is loaded onto a ship, when the owner wants to re-capture his pallets. Conditions on San Francisco piers were such that owners could not easily reclaim their pallets and, in fact, lost some. Obviously, they had justifiable complaints.

In order to induce pallet-borne traffic, the Harbor Board has instituted, at its own expense, a service for the collection and segregation by brands of pallets as they accumulate on the San Francisco waterfront so that they may be picked up at a central point for return to shippers.

LABOR-MANAGEMENT RELATIONS: The San Francisco waterfront for many years was the scene of labor's efforts to improve working conditions and wages. As a result, there were controversies between San Francisco waterfront employers and the unions to such an extent that national and international attention was attracted. Views of spokesmen before the Committee varied as to the extent of the effect of these controversies on Port traffic.

Such controversies affected all Pacific Coast ports, but because San Francisco is the headquarters of the employers and unions involved, attention was unduly focused on this Port.

The Committee learned that during the past two years it has been demonstrated

that maritime and waterfront labor conditions can be stabilized, efficiency increased and stoppages averted. Shippers must be informed of this in order that they may know that the flow of their traffic through the Port will not be impeded.

Concurrent with improved management-labor relations, labor has become conscious of its responsibilities to and dependence for employment on the shipping public. Its spokesmen have forcefully expressed labor's desire to participate in activities to stimulate growth and progress of the Port. Provision must be made for labor's representatives to participate in promotional activities which attract traffic and stabilize and increase waterfront employment opportunities.

In this connection, it should be recognized that, in addition to longshoremen, the waterfront involves ship personnel, car loaders and unloaders, checkers, truck drivers, operating engineers and a variety of specialized skills.

SURVEYS AND REPORTS: In the course of the Committee's work, it was observed that many agencies are compiling and publishing, to one degree or another, statistical and other information about water commerce and Harbor operations. However, too little has been done to coordinate data from different sources, and make the facts comparable and available for wide distribution.

The best source of water commerce data historically has been the Corps of Engineers of the United States Department of the Army. However, there have been great lags between the dates when the commerce moves and the time when the figures are available. Such lags should be reduced.

Segregation of the Army's figures for coastwise traffic has been requested by the Chamber and the Harbor Board so that the tonnages moving in coastwise, inter-coastal and non-contiguous possession trades may be determined.

Other data which are available from the United States Department of Commerce

are more timely, but are not comparable with Army reports because they principally cover exports and imports by custom districts and may therefore include several ports.

Other figures are issued by steamship conferences, port authorities and other agencies, but require careful interpretations before being comparable. Limited knowledge of data sources easily results in misleading comparisons for public information.

Shippers are influenced in their traffic routings by facts which must be coordinated from many authoritative sources and the public and the Port would benefit if publicists, advertisers and solicitors could be supplied concise, dependable and the most current information possible by a centralized agency.

Such an agency could develop terminal news, significant traffic data, delineate Port service areas and name present and potential shippers who merit the community's attention. Subject to further studies by such a group, comparative, long range information should be readily available about tonnages and commodities by trades to indicate relative traffic trends as to San Francisco, on the one hand, and, on the other hand, other ports of the Bay Area and the Pacific, Gulf and Atlantic coasts.

TRAFFIC SOLICITATION: Following the enactment of enabling legislation some years ago, the Harbor Board intensified solicitation of traffic to move through the Port of San Francisco. Under the prevailing State laws, however, some handicaps are still placed upon employees of the Board in soliciting traffic and this situation should be remedied through the participation of a community-agency.

Because of the great field to be covered in behalf of the Port, the maximum personnel which can be provided for this purpose by the State Board should be supplemented. With additional personnel available, representatives of the Board and a community agency could coordinate their direct solicitation of traffic which should

produce great results in proportion to the cost of the solicitation.

The extent to which Port facilities will be taxed during the Korean or other emergencies is not known. However, because of the programs being conducted by other ports to attract commercial traffic, there should be no delay in establishing and maintaining contacts with present and potential ocean shippers who may use the Port of San Francisco most advantageously.

In addition to direct solicitation to build Port traffic, it would appear that efforts of the Chamber's Industrial Department to attract new factories to San Francisco could be supplemented through the cooperation of the Board of State Harbor Commissioners. New factories to process materials from foreign and domestic sources and to produce goods for overseas and United States markets are great builders of port traffic. The port authorities in other cities are among the leading solicitors of new industries.

Many agencies other than the actual port operators benefit from the movement of commerce through San Francisco by water. These agencies include traders, banks, railroads, steamship companies, truckers, insurance companies and many others. Many of them maintain business solicitors in the areas which the Port of San Francisco may serve advantageously. The Committee was told that they would like to be helpful in attracting commerce for the Port and it is suggested that steps be taken through publications, forums, panel discussions or otherwise, to keep these men abreast of developments in connection with the Port in order that they may be helpful to shippers elsewhere as to the advantages of San Francisco's rates, services and facilities.

Representatives of these cooperating agencies have indicated their interest in being informed in detail about the Port and its related services and a central

agency should be charged with the responsibility of capitalizing on their interest.

PUBLICITY AND ADVERTISING: While all publicity and advertising on behalf of the Port should have the principal objective of attracting traffic, it should be so designed to have two effects: One, directly influencing those who route traffic; the other, informing the general public which indirectly influences traffic by being familiar with the Port, its facilities, services and rate developments. Obviously, the nature and distribution of literature will be governed by the international situation, but, unless world conditions become much more acute than they are now, there will be millions of tons of freight moving by water which could be handled most efficiently and economically if routed via San Francisco.

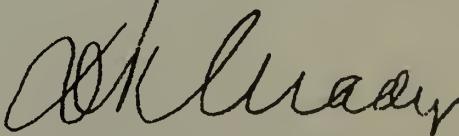
While being far more productive in informing and influencing shippers and "selling" the Port, an intensified publicity and advertising program would probably be no more expensive than present efforts. Economies in coordinating, centralizing and scheduling would make the difference.

SUMMARY: For convenience, the substance of what precedes and other information has been condensed in a Summary -- Conclusions and Recommendations — beginning on Page 1 of this report.

Respectfully submitted,

PORT PROMOTION PROGRAM COMMITTEE

By

A handwritten signature in black ink, appearing to read "Dwight K. Grady".

Dwight K. Grady, Chairman

